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Foreign CROPS AND MARKETS

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CANADA USES MORE
COTTON IN APRIL

Canada's cotton consumption of 27,000 bales (500 pounds gross) during April 1958 was 4 percent higher than consumption of 26,000 bales in March, but was 13 percent below the 31,000 bales consumed in April 1957. Consumption during August-April 1957-58 amounted to 259,000 bales, compared with 292,000 bales in the corresponding period of 1956-57.

SWISS OUTPUT OF "MARYLAND" CIGARETTES RISES

Output of Maryland-type cigarettes in Switzerland continued its postwar rise in 1957 and reached 4.4 billion pieces, compared with 4.1 billion in 1956. This blend, made primarily from U.S. type 32 leaf, has been a favorite of Swiss smokers for many years. Output of Maryland-type cigarettes has risen faster than total cigarette production; in 1950 it was 39 percent of a total 6.8 billion pieces; by 1957, it made up 48 percent of all (9.0 billion) cigarettes manufactured.

Oriental blends are the second-ranking Swiss type, although they sell at higher prices than "Maryland" cigarettes. Output rose from 1.3 billion pieces in 1950 to 2.1 billion in 1957. American-type blended cigarettes have also shown strong gains, but the output of both domestic and straight "Virginia" cigarettes has declined since 1950.

NORWAY IMPORTS MORE TOBACCO

Duty-paid 1957 imports of unmanufactured tobacco into Norway, at 10 million pounds, were 5 percent above those in 1956. The U.S. share in imports, however, declined to 80 percent from 83 percent in 1956.

This reflects the increasing success of Norwegian tobacco manufacturers in substituting lower-priced tobacco, (especially Rhodesian flue-cured) for U.S. leaf. A prominent manufacturer in Norway states that more tobacco will be purchased from sources outside the United States during coming years if the differential in prices continues.

Average prices paid for leaf imported in 1957 from principal sources of supply were, in terms of U.S. cents per pound: United States, 70; Rhodesias-Nyasaland, 51; Turkey, 62.

TOBACCO, UNMANUFACTURED: Norway, duty-paid imports by country of origin, 1955-57

Country of origin	1955	1956	1957
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States.....	7,978	7,888	7,983
Rhodesias-Nyasaland.....	657	716	988
Turkey.....	712	763	602
Greece.....	41	24	193
Indonesia.....	46	46	53
Others.....	94	63	145
Total.....	9,528	9,500	9,964

Source: Central Bureau of Statistics.

EGYPTIAN IMPORTS OF U.S. LEAF LARGER IN 1957

Egyptian imports of unmanufactured tobacco (withdrawals from bond) rose slightly from 25.7 million pounds in 1956 to 26.0 million in 1957. Imports from the United States increased 12 percent from 7.9 million pounds to 8.8 million. As Egypt grows no tobacco, withdrawals approximate domestic use of leaf by factories and indicate the growing popularity of products containing U.S. leaf.

Dollar exchange continues to be extremely tight in Egypt, especially for tobacco purchases. This has held down use of U.S. leaf and resulted in the use of substitutes wherever possible. The sharp rise in withdrawals of tobacco from Communist China, from 1.5 million pounds in 1956 to 2.3 million in 1957, presumably flue-cured, is an indication of increasing purchases of substitutes.

TOBACCO, UNMANUFACTURED: Egypt, imports by countries of origin (withdrawals from bond), 1956 and 1957

Country of origin	1956	1957
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States.....	7,877	8,829
Turkey.....1/	4,546	3,283
Greece.....	2,859	2,826
India.....	2,771	2,368
Communist China.....	1,473	2,255
U.S.S.R.	1,499	697
Other countries.....3/	4,848	5,924
Total.....	25,873	26,182

1/ Includes 231,483 pounds Hassan Keif. 2/ Includes 240,301 pounds Hassan Keif. 3/ Includes 30,864 pounds Hassan Keif and 418,874 pounds Tombac. 4/ Includes 24,251 pounds Hassan Keif and 341,713 pounds Tombac.

JAPAN'S TOBACCO EXPORTS UP SHARPLY

Japanese exports of unmanufactured tobacco in 1957 rose to 8.1 million pounds, nearly 7 times those for 1956. Principal markets last year included West Germany, the Netherlands, Egypt, and Belgium. Low-quality Burley tobacco, most of it destined for West Germany, accounted for 60 percent of the total. Native light air-cured accounted for 23 percent, and the remainder was low-quality flue-cured.

As an indication of the quality of Japan's leaf exports, the following average prices were paid by exporters to the Japan Monopoly Corporation: Burley, 29.7 cents per pound; flue-cured, 30.9 cents; and native light air-cured, 25.7 cents. Japan must import substantial amounts of high-quality tobacco, principally from the United States, in order to produce the better-grade cigarettes gaining wider consumer acceptance.

CIGARETTE CONSUMPTION INCREASES SLIGHTLY IN DENMARK

Cigarette consumption in Denmark rose in 1957 to 4.0 billion pieces, slightly above the 3.9 billion smoked in 1956. Consumption of cigars, cheroots and cigarillos also showed small gains in 1957. Use of smoking and cut tobacco remained stable; use of chewing tobacco and snuff declined.

During April 1957, retail prices rose nearly 1.5 U.S. cents to 50.7 U.S. cents per pack of 20 for regular cigarettes and 2.9 U.S. cents to 53.6 U.S. cents per pack for king-size cigarettes. This increase was to compensate manufacturers for higher production costs, whereas the last general price rise in 1954 was due to an increase in excise taxes.

The Danish tobacco industry is studying and experimenting with methods of lowering the cost of tobacco products. Manufacturers believe that possible Danish participation in the European Common Market or other market-area arrangements, will put the sales of tobacco products on a sharply competitive basis.

ARGENTINA TO INCREASE BEEF EXPORTS TO U. S.

The Argentine National Meat Board has approved the export of about 18 million pounds of cured or salted beef to the United States. Current high prices for manufacturing beef in the United States account for these unusually large shipments.

U. K. MEAT IMPORTS DROP

United Kingdom meat imports dropped about 13 percent during the first quarter of 1958 from the same period in 1957. However, as a result of increased domestic production and reductions in stocks, especially beef, domestic meat consumption increased.

At present, any significant further expansion in beef production seems unlikely this year. U. K. imports will thus need to increase sharply to maintain the present per capita rate of beef consumption.

COLOMBIAN CROP
PROSPECTS FAVORABLE

Present conditions in Colombia indicate that most food crops in 1958 will be above the average of recent years. Rains which started in April (about a month later than usual) have been ample, and crop conditions are generally good in most areas. In the Departments of Cundinamarca, Boyaca, Tolima, and Valle del Cauca, larger acreages have been planted to such food crops as potatoes, barley, wheat, corn, rice, and peas. There also appears to be greater use of modern agricultural machinery, irrigation, fertilizers, and pesticides.

VENEZUELA LAUNCHES AGRICULTURAL
DEVELOPMENT PROGRAM

Venezuela is launching a \$299-million program to develop 5 sectors of its agricultural economy.

(1) About \$200 million will be used in a 5-year livestock program. By developing 2,500 cattle ranches and farms, Venezuela hopes to raise its beef cattle numbers by 1 million head. The program includes credit for medium and long-term loans for seeding and improvement of 2,471,000 acres of pasture and grazing land; improvement of about 445,000 acres for haying; importation of 20,000 pure-bred Zebu bulls and 200,000 improved females for breeding stock; construction of 15,500 miles of fencing; building of ponds and wells; and purchase of machinery and equipment, silos, dips, etc.

(2) To increase hog numbers and improve the quality, \$5.6 million will be used to buy boars, sows, and gilts and to build hog houses and install other equipment.

(3) Out of \$13.8 million to be loaned to coffee growers for replanting and reconditioning plantations, \$9 million will be used to replant 49,420 acres with improved varieties, \$3.6 million will be used to treat and recondition 24,710 acres of coffee trees, and \$1.3 million will go for new plantings and improvement of existing acreage.

(4) Cacao production will be encouraged by a \$3.6-million allotment to develop higher-yielding varieties, to train cacao farmers in production methods through extension-type programs, and to provide long-term loans to rehabilitate cacao plantations by using selected high-yielding plants.

(5) Construction of farm-to-market roads will take \$5.7 million.

In addition, it is reported that the agricultural credit bank (Banco Agricola y Pecuaria) has \$25.8 million for its program of ordinary credit.

VENEZUELA FURTHER REDUCES FLOUR IMPORT QUOTA; LOCAL MILLING INCREASED

The Venezuelan Ministry of Development announced recently that only 600,000 bags (100 lb. ea.) of foreign flour would be permitted entry during the May-July 1958 quarter. The quota was 1,285,000 bags for the preceding (February-April) period. The Venezuelan Wheat Commission estimates flour consumption (domestic and imported) at 1,000,000 bags quarterly.

Authorization to control Venezuelan flour imports was first granted to the Ministry of Development just prior to the 1957-58 (August-July) marketing season. The stated objective was to protect an expanding local flour milling industry from the competition of imported flour in proportion to the ability of the industry to meet the country's requirements.

As more and more people in Venezuela have moved from farms to cities in recent years, there has been a trend from corn to wheat for human consumption. Consumption of bread from soft as well as hard wheat has increased. Production and consumption of pasta and macaroni products is also rising. The increase in the production and consumption of cookies and crackers has been especially spectacular.

Virtually all the imported wheat required for flour milling comes from the United States and Canada. Exports of U. S. and Canadian wheat and wheat flour to Venezuela in long tons, wheat equivalent, during 1956-57 (July-June), compared with 1953-54 exports shown in parentheses, were: United States, wheat 10,963 (681); flour, 160,641 (111,876); Canada, wheat 1,745 (3,958); flour, 77,927 (74,025).

The upward trend in flour consumption has been accompanied by a rapid expansion in the Venezuelan flour milling industry. At present, over 50 percent of the country's flour requirements is ground by domestic mills. The goal is 100 per cent self-sufficiency within the next few years. As a result, flour imports are expected to decline while wheat imports increase.

One of the big problems facing the expanding milling industry in Venezuela is disposal of the increased quantities of mill feed. This problem is expected to be solved as the government's livestock development program progresses. With the present emphasis on expanding livestock numbers, the outlook is for increased consumption of animal feeds. However, increased use of mill feed by cattle is a long-range proposition which is largely dependent on the success of the concurrent farmer education program.

One of the short-range effects of larger supplies of mill feeds from the milling industry will be smaller imports of animal feeds. Such imports probably will be replaced in part by larger imports of mineral and additive mixtures. If the pressure for mill feeds outlets gets too great, demands for tariff protection for the local feed producing industries may be expected.

SOUTHWEST AFRICA HIT BY DROUGHT

Livestock in Southwest Africa are suffering from a serious drought. Producers have asked for an increase in the quota for exports to the Union of South Africa so they can take cattle off stricken pastures.

WEST GERMAN HOG NUMBERS HIGH

West German hog numbers rose to a record 14,385,414 on May 3, 1958. This was a 5-percent rise over May numbers last year. Continued expansion of West German hog numbers in recent years has caused an increase in pork production and a drop in prices. Due to the present abundant supply of pork, lard, and other hog products, imports are expected to be relatively low for the remainder of 1958.

U. S. LIVESTOCK EXPORTS DROP

U. S. exports of all types of livestock dropped sharply during the first quarter of 1958 from the same period in 1957. Reduced meat production pushed livestock prices up, thus making U.S. animals less attractive to foreign buyers. The large increase in breeding cattle exports during the first quarter of 1957 was the result of heavy Mexican purchases under a \$5 million Export-Import Bank loan for such purposes. Mexico has received another \$5 million loan of this type which has not yet been implemented because of drought in northern Mexico and high U.S prices for breeding stock.

LIVESTOCK: U. S. exports, January-March 1954-58

Type	1954	1955	1956	1957	1958
	<u>Head</u>	<u>Head</u>	<u>Head</u>	<u>Head</u>	<u>Head</u>
Cattle:					
Breeding.....	2,728	6,926	8,569	19,015	3,884
Other.....	360	943	6,154	4,802	234
Total.....	3,088	7,869	14,723	23,817	4,118
Hogs.....	225	546	1/	911	251
Sheep.....	854	740	27,592	6,467	1,294

1/ Not available.

Source: U. S. Bureau of Census.

NEW ZEALAND WOOL COMMISSION PURCHASES INCREASE

Further declines in wool values during April stepped up the buying activities of the New Zealand Wool Commission (see Foreign Crops and Markets, March 31, 1958). Purchases from the beginning of the season through the Dunedin sale on May 1 were about 33,000 bales. This is equivalent to about 11 million pounds of wool worth \$4.2 million. The Wool Commission has also bought 500 bales at London auctions.

Prices at the Dunedin sale were firm, and most types improved somewhat over the previous week's sale at Invercargill.

U. S. MOHAIR EXPORTS DROP 50 PERCENT IN FIRST QUARTER 1958

U. S. exports of mohair (including other wool-like specialty hair) declined 50 percent during January-March 1958 from a year earlier. Of the 3 major markets, exports to the Netherlands increased, but shipments to the United Kingdom and Belgium fell sharply.

Exports began to decline during the latter half of 1957, largely as a result of the slump in the United Kingdom's wool textile industry.

MOHAIR: U. S. exports by country of destination, annual 1955-57 and January-March 1957 and 1958

Country of destination	Annual			January-March	
	1955	1956	1957	1957	1958
	1,000	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United Kingdom.....	3,866	7,789	6,017	2,896	1,133
Netherlands.....	1,765	2,482	1,804	354	534
Belgium.....	227	946	1,432	654	191
Canada.....	107	97	57	29	35
Japan.....	0	217	402	205	54
Germany, West.....	20	107	94	4	77
Switzerland.....	8	104	74	0	58
Others.....	60	93	112	28	15
Total.....	6,053	11,835	9,992	4,175	2,097

Source: U. S. Bureau of Census

ARGENTINE BEEF EXPORTS REMAIN LEVEL

Argentine exports of frozen and chilled beef during January-March 1958 were substantially unchanged from a year earlier. This was in marked contrast to the rapid rise in beef exports, especially chilled beef, during recent years. As usual, the United Kingdom was the most important market for Argentine beef.

Lamb and mutton exports continued to drop, and there was a decline in canned meat exports, which had risen sharply in previous years. The United States is the largest importer of Argentine canned meat. Argentine meat packers have announced that they will be unable to meet the 101-million-pound export goal set for the 7 weeks which started May 12, 1958, due to lack of cattle. A new export goal has been set at 90 million pounds.

MEAT: Specified Argentine exports, January-March 1955-58,
with percent change from previous year

Year	Chilled beef		Frozen beef		Frozen mutton		Frozen lamb		Canned meat	
	1,000 qtrs.	Per- cent change	1,000 qtrs.	Per- cent change	1,000 car- casses	Per- cent change	1,000 car- casses	Per- cent change	Mil. lb.	Per- cent change
1955.....	242	+353	475	-3	52	-44	935	+136	48.7	+1
1956.....	689	+184	372	-22	14	-73	944	+1	52.8	+9
1957.....	1,137	+65	320	-14	6	-58	751	-20	85.6	+62
1958.....	1,190	+5	293	-8	3	-55	529	-30	77.7	-9

Source: Review of the River Plate.

U. S. LARD EXPORTS DOWN 23 PERCENT IN JANUARY-MARCH

U. S. exports of lard during January-March 1958 totaled 105 million pounds, compared with 136 million during the corresponding period in 1957. The principal reasons for the decline, by export areas, are:

North America--Sharp drop in exports to Canada primarily because of an increase in production there.

South America--Loss of Bolivian market as a result of more competitive Argentine lard price.

Europe--European lard available at considerably lower prices.

LARD, INCLUDING RENDERED PORK FAT: U.S. exports by country of destination
average 1951-55, annual 1956 and 1957, and January-March 1957 and 1958

Continent and country	Average 1951-55	1956	1957 1/	January-March		Increase or Decrease(-) 1958
				1957 1/	1958 1/	
				----- 1,000 pounds -----		
North America:						
Canada	6,497	17,726	26,611	6,655	2,272	- 4,383
Mexico	31,823	14,786	11,782	2,979	2,886	-93
Panama Canal Zone	967	941	373	59	43	-16
Costa Rica	7,363	5,693	2,022	474	731	257
El Salvador	4,299	3,613	3,082	1,182	871	-311
Guatemala	8,668	7,932	4,853	837	1,797	960
Panama	6,560	4,424	4,893	1,322	1,765	443
Cuba	157,427	163,078	178,791	50,456	50,178	-278
Dominican Republic	2/ 352	19	22	3	--	-3
Haiti	6,725	6,322	6,982	2,375	1,513	-862
Netherlands Antilles ..	1,066	441	220	31	65	34
Other	1,518	2,210	2,360	698	309	-389
Total	233,265	227,185	241,991	67,071	62,430	- 4,641
South America:						
Bolivia	3,755	7,159	4,681	612	--	-612
Brazil	2,088	10,417	6,000	--	--	--
Colombia	3,359	1,007	936	--	--	--
Ecuador	5,494	4	4	--	--	--
Peru	12,521	6,673	2,770	56	303	247
Venezuela	3,640	604	991	110	137	27
Other	134	1,763	38	--	4	4
Total	30,991	27,627	15,420	778	444	-334
Europe:						
Austria	23,579	26,807	7,514	4,317	1,100	- 3,217
Belgium-Luxembourg	1,005	711	348		11	11
France	1,104	--	--	--	--	--
Germany, West	55,978	70,210	17,779	7,112	753	- 6,359
Greece	2/ 14	24	10	5	--	-5
Italy	593	162	2	2	--	-2
Netherlands	33,114	4,303	9	--	--	--
Switzerland	1,725	386	73	73	--	-73
United Kingdom	104,685	161,591	149,529	40,202	30,775	- 9,427
Yugoslavia	38,431	88,496	62,392	15,694	8,863	- 6,831
Other	4,825	478	318	89	12	-77
Total	265,053	353,168	237,974	67,494	41,514	-25,980
U.S.S.R.	--	--	--	--	--	--
Africa	100	43	110	--	--	--
Asia	5,197	3,371	5,767	752	507	-245
Oceania	30	--	--	--	--	--
Other 3/.....	--	--	--	35	72	37
World total	534,636	611,394	501,262	136,130	104,967	-31,163

1/ Preliminary. 2/ Less than a 5-year average. 3/ Includes a small quantity of nonspecified countries.

PERU STRIVES TO EXPAND FOOD PRODUCTION

The Peruvian Government recently decreed an increase in the percentage of coastal lands used for food production.

Heretofore, coastal crop land, which is nearly all irrigated, has been used chiefly to grow export crops, especially sugar and cotton. Now, from 15 to 23 percent of the total arable land must be planted to food crops, depending upon the individual valley. The purpose is to reduce food imports, thus saving much-needed foreign exchange, and to increase domestic food supplies. However, if the plan is enforced, the shift from sugar and cotton probably will cut down production of these export crops.

Declining world prices are making it difficult for Peru to dispose of its current cotton crop. Although only a moderate increase in the crop is reported, the Cotton Exchange reports stocks at ports are about 153,450 bales, some 97 percent more than at the end of April 1957.

Sugar exports--about 10 percent of Peru's total exports--have dropped sharply, from nearly 50,000 short tons in March to around 31,000 tons in April. Sugar production for the year is forecast as normal.

URUGUAY TAKES OVER MEAT PACKING PLANT

Press reports state that Uruguayan officials have started to take over operations of the "Swift de la Plata" meat packing plant of International Packers, Chicago. The Uruguayan courts had previously blocked this move (see Foreign Crops and Markets, May 12, 1958). The present government action was taken under an administrative order which circumvented the courts' adverse decision.

U. S. HIDES AND SKINS EXPORTS INCREASE

Exports of cattle hides and calf and kip skins during the first quarter of 1958 were 8 percent higher than a year earlier. Shipments totaled 2,479,000 pieces, compared with 2,285,000 pieces in January-March 1957. Exports of sheep and lamb skins also increased--up 23 percent in the first quarter.

Cattle hide exports were only 3 percent above a year earlier, but calf-skins were up 47 percent, and kip skins were down 23 percent. The changes indicate the inverse relationship between exports and prices of hides and skins. Hide prices during the first quarter of 1958 were about the same as a year earlier, while calf skins were cheaper and kip skins were higher. The average price of big packer heavy steer hides in 1957 was the lowest since 1934.

Country of destination	Average 1935-39	Annual		January-March		Increase or Decrease (-)
		1956	1957	1957	1958	
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Cattle hides:						
Japan	260	1,329	1,397	331	344	13
Canada	127	774	818	258	218	-40
Mexico	4	702	424	200	42	-158
West Germany . .	3	436	812	123	167	44
Netherlands . .	24	285	1,369	210	244	34
United Kingdom:	37	243	390	81	103	22
Yugoslavia . . .	<u>1/</u>	246	203	42	16	-26
Poland	6	0	5	0	105	105
Others	72	925	1,099	215	264	49
Total	533	4,940	6,517	1,460	1,503	43
Calf skins:						
Japan	247	455	412	96	74	-22
Canada	170	563	704	160	179	19
West Germany . .	13	431	300	113	111	-2
Netherlands . .	25	105	196	35	94	59
United Kingdom:	12	66	110	12	8	-4
France	10	49	36	2	76	74
Italy	6	104	194	49	91	42
Switzerland . .	<u>1/</u>	1	50	1	66	65
Others	72	74	68	19	18	-1
Total	555	1,848	2,070	487	717	230
Kip skins:						
Japan		578	405	139	75	-64
Canada		7	8	3	4	1
West Germany . .		351	417	75	93	18
Netherlands . .		104	181	63	35	-28
United Kingdom:		32	98	27	5	-22
Belgium		20	22	2	12	10
Turkey		1	<u>1/</u>	0	0	0
Others		166	95	29	35	6
Total	<u>2/</u>	1,259	1,226	338	259	-79
Sheep and Lamb:						
Canada	<u>4/</u> 1,009	337	609	76	290	124
United Kingdom:	80	258	382	88	74	-14
Mexico	<u>4/</u> 11	84	62	3	2	-1
France	<u>4/</u> 38	88	107	39	2	-37
Belgium	11	43	10	4	1	-3
Others	81	21	184	42	32	-10
Total	1,230	831	1,354	252	311	59

Source: Bureau of the Census.

WEST GERMANY AND HUNGARY TO EXCHANGE HOPS, PULSES, SEEDS, AND RICE

In a trade agreement between the Federal Republic of Germany and Hungary, signed in Bonn on March 18, 1958, Hungary agreed to purchase DM 800,000 (\$190,400) worth of German hops and DM 120,000 (\$28,600) worth of field seeds and vegetable seeds during 1958.

West Germany, in turn, agreed to buy DM 5,000,000 (\$1,190,000) worth of Hungarian pulses; DM 5,000,000 (\$1,190,000) worth of field seeds, of which DM 420,000 (\$99,900) worth will be seed corn; DM 1,000,000 (\$238,000) worth of horticultural seeds, and DM 3,500,000 (\$833,000) worth of Hungarian hard rice. The agreement also provides that the two countries will purchase from each other a large number of other agricultural as well as industrial products.

SWEDEN REDUCES IMPORT TAX ON SUGAR

Effective May 1, 1958, Sweden reduced the import taxes for sugar by 0.5 ore per kilogram (about 0.04 cents per pound). This is the second step in the program begun May 1, 1957, to reduce the tax by this amount each succeeding May 1.

The new import tax on crude sugar for the period May 1, 1958, through April 30, 1959, is 24.50 kroner per 100 kilograms (about 2.15 cents per pound). For refined sugar, it is 32.50 kroner (about 2.85 cents per pound). The import taxes are applied as long as the domestic sugar price in Sweden stays between the ceiling price (103 kroner) and floor price (84 kroner) per 100 kilograms (U. S. equivalents: 9.03 cents and 7.36 cents per pound, approximately).

EL SALVADOR BUILDING NEW MILK PLANT

The construction of El Salvador's first plant capable of manufacturing milk powder in quantity was started last month. The plant is 3 miles east of San Miguel on the highway to La Union. Annual capacity is estimated at 18.2 million pounds of milk.

The Cooperativa Lechera de Oriente, builder of the plant, has received a \$150,000 grant from UNICEF for machinery purchase and a \$240,000 loan from the Instituto Salvadoreño de Fomento de la Produccion (INSAFOP) for building costs.

The plant is scheduled to open in May 1959, when about 45 per cent of the annual intake will be processed into dry whole milk, and an equal amount will be pasteurized and sold as fluid milk. The remainder will be used to make butter and cheese. All dry milk produced will be bought by the Ministry of Culture and Public Health for school lunch programs.

VENEZUELAN GOVERNMENT TO BUY POULTRY FOR STORAGE

In an effort to aid Venezuelan broiler producers, the government-controlled corporation "Mercados, Silos y Frigorificos del Distrito Federal, C.A." has announced that it will buy dressed poultry for storage in its freezers. At prices of about 90 cents per pound, broilers are not moving rapidly. Many growers are holding chickens over for sale as fat hens at a much better price than broilers, or about \$1.09 per pound.

U. K. ACTS TO RESTRICT SUBSIDIZED BUTTER IMPORTS

The United Kingdom has asked Sweden and Finland to eliminate subsidies on butter exports or to restrict their shipments within agreed limits. Similar action is expected with respect to Ireland, while the situation with Argentina is still under study. If subsidies are not removed or exports are not restricted within a month, countervailing duties will be imposed.

The British also withdrew open licenses for imports of butter from Eastern Europe and Belgium and agreed to limit imports from Poland to the 11 million pounds of butter specified in the present trade agreement.

The announcement by the Board of Trade stated that annual imports from the countries concerned would be reduced by about 90 million pounds. Immediate reaction from New Zealand, which had requested this action (see Foreign Crops and Markets, March 24, 1958), was that the decision did not go far enough. U.K. retail butter prices are expected to rise about 7 cents per pound as a result of these anti-dumping measures.

SOVIET UNION STEPS UP PURCHASES OF INDIAN CASHEW KERNELS

The Indian Cashew and Pepper Export Promotion Council has recently announced approval of a contract under which the Soviet Union will purchase 3,700 short tons (148,000 cases) of cashew kernels within the 6-month period April-September 1958. The new contract, according to the announcement, represents an increase of 60 percent in volume over the previous season's Soviet cashew imports.

During 1957, shipments of cashew kernels to all Communist countries amounted to an estimated 100,000 cases; total Indian cashew kernel exports for the same period were about 1,400,000 cases, with exports to the United States accounting for 1,060,000 cases, or about three-quarters of the volume.

GREECE TO IMPORT LESS
VEGETABLE OIL IN 1958

Greek imports of vegetable oil in 1957-58 (November 1-October 31) are expected to be far below the quantity imported in 1956-57.

Domestic olive oil outturn from the 1957-58 crop is adequate for domestic oil needs estimated olive oil exports of 11,000 short tons, and a sizable increase in ending stocks.

VEGETABLE OILS (EDIBLE): Greece, supply and distribution, crop year 1956-57 and 1957-58 (November 1 - October 31)

Item	1956-57 <u>1/</u>			1957-58 <u>2/</u>		
	Olive oil	Other	Total	Olive oil	Other	Total
	1,000	1,000	1,000	1,000	1,000	1,000
	short	short	short	short	short	short
	tons	tons	tons	tons	tons	tons
Supply:						
Beginning stocks (Nov. 1)...	26.1	11.0	37.1	56.4	13.4	69.8
Production.....	158.5	18.7	177.2	180.5	20.8	201.3
Imports.....	---	27.7	27.7	---	3.3	3.3
Total supply.....	184.6	57.4	242.0	236.9	37.5	274.4
Distribution:						
Consumption.....	121.0	44.0	165.0	127.0	33.0	160.0
Exports.....	7.2	---	7.2	11.0	---	11.0
Ending stocks (Oct. 31)....	3/ 56.4	3/ 13.4	69.8	98.9	4.5	103.4
Total distribution....	184.6	57.4	242.0	236.9	37.5	274.4

1/ Preliminary. 2/ Estimated. 3/ Derived figures.

Compiled from official and unofficial sources.

Vegetable oil imports in calendar year 1957 totaled 24,920 tons, 23,500 tons of which was soybean oil imported from the United States by the Greek Government, and 1,118 tons consisting of other edible oils, also from the United States. Although the 1956-57 outturn of domestic edible oils, was slightly over requirements, the government imported the soybean oil in order to hold domestic olive oil prices at a reasonable level and to insure continuous supplies of olive oil for export.

Oilseed imports in 1958 are expected to be only one-half as large as those of the previous year, or around the level of imports in 1956. Imports of oilseeds vary considerably from year to year depending more upon the need for livestock feed than upon the domestic supply of vegetable oils. Cottonseed--the major imported oilseed--is imported almost entirely for the high protein feed derived from crushing, while flaxseed is imported for protein feed and linseed oil.

OIL-BEARING MATERIALS: Greece, imports by commodity,
1956 and 1957

Commodity	1956	1957 <u>1/</u>
	Short tons	Short tons
EDIBLE		
Cottonseed <u>2/</u>	8,466	26,494
Others.....	283	398
Total.....	8,749	26,892
PALM		
Copra	82	93
Palm kernels.....	593	1,580
Total.....	675	1,673
INDUSTRIAL		
Flaxseed.....	6,451	8,646
Others.....	310	269
Total.....	6,761	8,915
Grand total.....	16,185	37,480

1/ Preliminary. 2/ Over 80 percent of the cottonseed comes from the Sudan. 3/ Canada and Ethiopia are the main sources.

Compiled from official sources.

FRUITFLY OUTBREAK
IN AUSTRALIA

The New South Wales Department of Agriculture announced on May 1 that an outbreak of fruitfly had been found near Mildura, Victoria.

The new infestation means that citrus within a 50-mile radius will be barred from New Zealand for a minimum of 1 year.

Australian exports to New Zealand will probably not be affected. Mildura fruit will be used for the local market, and South Australian fruit will be exported as a substitute.

CUBAN AVOCADO EXPORTS LATE

First avocado exports from Cuba are not expected until the last week of June--10 days to 2 weeks later than last year.

SPAIN ANNOUNCES NEW MINIMUM EXPORT
PRICES FOR ALMONDS AND FILBERTS

The Spanish Government recently announced increases of 10 to 12 cents per pound in the minimum export prices for shelled almonds, and increases of 9 to 11 cents for filberts. The new price schedule showing minimum export prices f.o.b. Spanish port (old prices shown in parentheses) is reproduced below:

ALMOND KERNELS	<u>Cents per pound</u>		ALMONDS, UNSHELLED	<u>Cents per pound</u>	
Mallorca, propietario with pieces	47.6	(36.7)	Mollar de Tarragona	16.3	(12.7)
Mallorca, propietario without pieces	48.5	(37.6)	Idem, de Cartagena	15.9	(12.2)
Valencias, unselecteds	49.9	(38.6)	Fitas	14.1	(10.9)
Mallorca, unclassified	52.2	(40.4)	FILBERTS		
Valencias, graded	52.6	(40.8)	Grano	47.2	(36.3)
Esperanzas	52.6	(40.8)	Grano, primero pequena	44.0	(34.0)
Larguetas	54.0	(41.7)	Destrios	37.6	(29.0)
Planetas	53.1	(41.3)	Asturiana	45.4	(34.9)
Jordanas	54.0	(41.7)			
Marconas	54.4	(42.2)	Cascara	18.6	(14.5)

INDIA'S RICE CROP
DOWN 12 PERCENT

India's 1957-58 rice crop is officially estimated at 24,821,000 long tons of milled rice (83,473 million pounds rough), 12 percent below output in the preceding year. The revised corresponding estimate for 1956-57 is 28,282,000 tons (95,112 million pounds). Thus, the decline is 3,461,000 tons milled (11,639 million pounds rough).

The small crop was caused by prolonged drought from September to December 1957 largely over central and northeastern India. Bihar, Madhya Pradesh, Orissa, and West Bengal were the states most seriously affected.

However, generally favorable weather resulted in increased production in southern states. Andhra Pradesh and Mysore had substantially larger crops.

FEDERATION OF RHODESIA AND NYASALAND
TO INCREASE PEANUT EXPORTS

The Federal Government of the Federation of Rhodesia and Nyasaland announced on May 2 that an attempt will be made to export top-grade peanuts through the Grain Marketing Board. The plan was developed not because of any surplus supplies of peanuts, but as a means of getting a higher price for top-grade peanuts than can be obtained locally.

All the peanuts produced in Southern Rhodesia--which usually accounts for 55 to 65 percent of the Federation's total output--are now sold to local processors, but in Nyasaland and parts of Northern Rhodesia peanuts have been exported with considerable success.

The Grain Marketing Board will accept only shelled peanuts that are pure strains of Natal Common, Virginia Bunch, Spanish Bunch, or African Giant. The peanuts must also conform to the following specific qualifications:

(1) Maximum moisture content, 6.5 percent; (2) maximum defective kernels, 8.0 percent; (3) maximum damaged kernels, 2.0 percent; (4) maximum unshelled nuts, 2.0 percent; (5) maximum extraneous matter, 1.0 percent; (6) maximum other varieties, 0.5 percent; (7) maximum insect-damaged kernels, 2.0 percent; (8) minimum to be retained by slotted holes 3/4" x 19/64", 40 percent; and (9) peanuts must be fresh and plump.

If the plan is a success, a domestic shortage of peanut oilcake and meal may develop, but the Minister of Agriculture has announced that in this event supplies to meet the deficit will be imported.

TUNISIA HARVESTING
LARGE GRAIN CROP

Preliminary estimates of Tunisia's 1958 grain crops confirm earlier forecasts of a bumper harvest (see Foreign Crops and Markets, April 7). Harvesting is now progressing, and though forecasts are only tentative, it is agreed that the outturn of wheat and barley will be the largest since the record harvest in 1952.

Production of wheat is now forecast at about 25 million bushels, well above the 1957 crop of 18 million and the 1950-54 average of 20 million. Hard wheat accounts for 73 percent of the current forecast. Both hard and soft wheat production is well above the 1957 crop. Barley production, as forecast at 14 million bushels, is sharply above the low level of the past 5 years.

Exportable supplies of grain for the 1958-59 marketing season are estimated at about 7.5 million bushels of durum, about a million bushels of soft wheat, and close to 7 million bushels of barley. Most of the soft wheat surplus is from the 1957 crop.

MEXICO CONTINUES TO EXPAND RICE PRODUCTION

Mexico's 1957-58 rice production was 4 percent above that of the preceding year, despite drought in important rice areas. The outlook in 1958-59 is for an even larger area than last year with a new increase in production. The 1957-58 crop is now estimated at 245,000 metric tons of rough rice, compared with 235,100 tons the year before.

Planting of the 1958-59 crop started in some districts in March, but it will not be completed in all Mexico before the end of July. The rice acreage of Veracruz, a leading rice-producing state, is expected to be as large as last year, and with normal weather, rice production should be a record for the state. Veracruz is usually the largest producing state, but last season yields were reduced by drought.

New lands being cleared in the Fuerte Valley of Sinaloa are likely to be planted in rice. This district is irrigated by the Miguel Hidalgo dam which was completed in 1956. In other rice producing states, no significant change in rice acreage is expected.

About 15,000 metric tons of milled rice are available for export in 1958. Exports in the first quarter were 3,400 tons. Sinaloa growers have obtained an export permit for an additional 10,000 metric tons, milled basis, from the 1957-58 crop. Whether these exports materialize will depend on foreign market prices. Rice exports in 1957 amounted to 6,671 metric tons. Rice was shipped to Canada (4,856 tons), Guatemala (1,065 tons), and Costa Rica (750 tons).

NORWAY INCREASES MILK OUTPUT

Despite a continuing decline in cow numbers in Norway, milk production in 1957 rose about 3 percent over 1956 to 3.8 billion pounds. In 1958, it is expected to continue upward, and may be close to 3.9 billion pounds.

Butter production during 1957 was 34.6 million pounds, compared with 27.6 million pounds in 1956. Cheese output (excluding whey cheese) dropped 7 percent to 23.9 million pounds, due to farm organizations' decision to divert more milk to manufacture of butter since foreign markets for cheese did not appear to be favorable at that time.

Norway's exports of major dairy products in 1957 were considerably heavier than in 1956. Shipments of butter increased 71 percent to 16.1 million pounds. Exports to Italy and West Germany were double those of the earlier year, while those to other major outlets also showed a marked gain over 1956. Trade in cheese increased from 7.6 million pounds in 1956 to 13.7 million pounds in 1957--up 80 percent--reflecting not only the higher milk production but also the relatively high stocks. Principal outlets were Italy and West Germany, both of which took considerably larger quantities in 1957 than in 1956. Shipments to many other European markets also exceeded those of the earlier year.

YUGOSLAV CORN EXPORTS HIGH

Yugoslavia has exported 200,000 tons of corn this season, compared with 2,000 tons a year ago. A record 5.6 million tons corn crop was harvested last year. Total exports are expected to reach 250,000 tons.

INDIA HARVESTS ABOVE-AVERAGE
WHEAT CROP

India's 1958 wheat harvest, recently completed, is tentatively placed at 325 million bushels. This is slightly below the record 1957 crop but is above average. Yields are indicated to be at the 1957 level despite low yields in areas affected by drought last fall. Unsatisfactory yields in those areas, especially Bihar, Eastern Uttar Pradesh, and part of Mahya Pradesh, were offset by good yields in other areas, especially the Punjab.

Consumption of wheat and coarse grains in India is expected to be higher than last year because of increased availability of these grains and some shift from rice to other grains because of a smaller supply of rice. Larger crops of bajra and jowar account for most of the increase in coarse grain supplies.

CANADIAN WHEAT AREA DRY

Dryness is threatening Canada's 1958 wheat crop, with early rains needed to avert extensive damage. Rain is urgently needed over wide areas of the Prairie Provinces to prevent erosion and to promote germination and growth of grain crops. Scanty rainfall and high winds have depleted surface soil moisture of most areas, though subsoil supplies are reported generally adequate. At latest report, wheat seeding was nearing completion and good progress had also been made in seeding coarse grains.

Widespread soil drifting throughout Manitoba is a threat to crops as a result of dry surface conditions. The moisture situation is critical, and continued high winds are causing rapid evaporation in some parts of the province. Weed control is also a problem in some districts.

Rains are needed in most parts of Saskatchewan, the principal wheat-producing province of Canada. Top soil is extremely dry, with a considerable amount of drifting in some districts. About 80 percent of wheat seeding was completed at latest report. Grasshoppers are hatching rapidly in parts, but no crop damage has been reported.

Topsoil was very dry in most parts of Alberta in late May. At that time it was said that unless rains were received soon late seedings would not germinate evenly. Some seeded land has had to be recultivated because of dense growth of weeds.

FRENCH WEST AFRICAN PEANUT
PRODUCTION REVISED UPWARD

Commercial peanut production in French West Africa from the 1957-58 crop is now estimated at 1.2 million short tons, unshelled.

The increase from the previous estimate (see Foreign Crops and Markets, March 10, 1958) is due largely to the fact that the final estimate of the commercial crop in Senegal was 50,000 tons larger than the previous one. This record crop is about one-fifth larger than the 1.0 million tons produced commercially in 1956-57.

PEANUTS (UNSHELLED): French West African production and
disposition, 1957-58

Territory	Disposition			Total
	Commercial	Seed and	Moved into	
	purchases	food	British or	
	<u>1/</u>	<u>2/</u>	Portuguese	
			Areas	
	1,000	1,000	1,000	1,000
	short	short	short	short
	<u>tons</u>	<u>tons</u>	<u>tons</u>	<u>tons</u>
Senegal.....	881.8	185.2	22.0	1,089.0
Niger.....	157.6	63.4	32.0	253.0
Soudan.....	121.3	40.7	---	162.0
Others.....	44.1	14.9	---	59.0
Total.....	1,204.8	304.2	54.0	1,563.0

1/ Final figures for Senegal; preliminary for other territories.

2/ Consumption for seed and food based on 25 percent of total, except for Senegal where consumption is based on 17 percent.

On the basis of the final estimate for Senegal, and preliminary estimates for Niger, Soudan, and other territories, total peanut production in French West Africa is estimated at almost 1.6 million tons. Indications are that this level of production may be maintained or possibly increased in 1958-59.

Peanut exports from French West Africa totaled almost 390,000 tons in 1957, one-fifth more than in 1956. Peanut oil exports at 110,000 tons were about the same as in the previous year. Palm oil and palm kernel exports declined one-third and one-tenth, respectively. Palm exports may be still lower this year due to labor difficulties.

OILSEEDS AND VEGETABLE OILS: French West Africa,
major exports, 1956 and 1957

Oilseeds	: 1956	: 1957 1/	: Vegetable oils	: 1956	: 1957 1/
	: Short	: Short		: Short	: Short
	: tons	: tons		: tons	: tons
Peanuts, shelled.....	313,631	383,827	Peanut, unrefined....	96,261	94,932
Peanuts, unshelled....	13,663	5,825	Peanut, refined.....	12,603	14,726
Peanuts, roasted for :	:	:	Palm.....	19,613	13,006
use as food.....	---	334	Palm kernel.....	55	370
Palm kernels.....	95,231	86,846		:	:
	:	:		:	:

1/ Preliminary.

Compiled from official sources.

COTTON CONSUMPTION ABROAD AT HIGH
LEVEL, WHILE IMPORTS DECLINE

Cotton consumption thus far in 1957-58 is generally keeping pace with last year's relatively high level in principal foreign importing countries. In contrast, imports have been cut by 16 percent from last year's high level when stocks were being replenished. The result is that stocks in these countries have declined about 350,000 bales since August 1, 1957.

In a number of countries, both cotton consumption and imports have increased thus far in 1957-58 above the same period last year. These areas include West Germany, Italy, and Hong Kong.

Imports have not kept pace with the relatively high rate of consumption in France, Switzerland, the Netherlands, and India. Slowdowns in both cotton consumption and imports have taken place elsewhere, principally in Japan, the United Kingdom, Belgium, Canada, and Spain. Major stock declines have taken place in France and Japan.

Figures on the current season's cotton consumption, imports, and stocks in the principal non-communist importing countries are compared with similar periods a year earlier in the accompanying table (page 24). It should be noted that figures relate to the number of months shown opposite each country for the current season and for the same months of last season. Similar current statistics will be published in Foreign Crops and Markets at intervals hereafter.

COTTON: Consumption, imports, and stocks, in principal foreign Free World importing countries, for specified periods of 1956-57 and 1957-58

(Bales of 500 pounds gross)

Country	No. of mos.	Consumption		Imports		Stocks		Change in stocks since Aug. 1, 1957	
		1957-58 1/2	1956-57	1957-58 1/2	1956-57	Aug. 1, 1957	Current	+	-
		bales	bales	bales	bales	bales	bales	bales	bales
Canada.....	5	150	163	145	180	60	55	1,000	1,000
Austria.....	7	69	61	64	60	29	24	1,000	1,000
Belgium.....	5	179	189	182	199	145	148	3	3
Denmark.....	8	28	29	34	32	9	15	6	6
Finland.....	8	50	51	45	60	30	25	5	5
France.....	8	947	930	654	1,008	560	267	29	293
Germany, West.....	6	743	713	772	755	400	429	4	4
Italy.....	4	278	262	282	277	275	279	14	14
Netherlands.....	7	197	198	183	205	120	106	1	1
Norway.....	8	15	16	14	20	7	6	37	37
Portugal.....	8	131	129	168	165	55	92	4/	4/
Spain.....	8	242	271	116	157	144	2/ 184	17	17
Sweden.....	7	88	86	105	98	101	118	27	27
Switzerland.....	8	131	120	158	200	128	155	44	44
United Kingdom....	8	1,049	1,056	1,005	1,244	600	556	4	4
Hong Kong.....	8	178	149	174	156	65	61	4/	4/
India (mill only):	3	1,055	1,038	87	89	1,635	3/ 4,907	99	99
Japan.....	7	1,464	1,598	1,365	1,720	585	486	5/ 123	5/ 470
Total.....		6,994	7,059	5,553	6,625	4,948	7,913	net	net
Total excluding								change	change
Spain and India :		5,697	5,750	5,350	6,379	3,169	2,822	347	347

1/ Preliminary.

2/ Includes crop of 166,000 bales.

3/ Includes local crop of 4,250,000 bales minus exports of 10,000 bales.

4/ Not calculated because of incoming crop.

5/ Excluding Spain and India.

ARGENTINA HAS RECORD
COTTON CROP IN 1957-58

Argentina's 1957-58 cotton crop, now being harvested, is estimated at 700,000 bales of 500 pounds gross. This is the largest Argentine crop on record. Production this season is up 46 percent from the 480,000 bales produced in 1956-57, and 24 percent above the 1955-56 crop of 563,000 bales. The bigger crop this season is attributed to an increase in acreage, also at a record level, and to favorable weather at planting time.

The area planted to cotton this year amounted to 1,600,000 acres, an increase of 25 percent from 1,275,000 acres in 1956-57, and 21 percent above the 1,320,000 acres in 1955-56. Favorable weather at planting time, and high prices received by farmers for their cotton in recent years, were the main factors in the sharp acreage increase this year.

Minimum prices for the 1957-58 crop, set by the Argentine Cotton Board, range from 37.55 cents per pound for grade A cotton to 23.94 cents per pound for grade F (Foreign Crops and Markets, February 17, 1958).

Outbreaks of leafworms, bollworms, and pink bollworms occurred in some areas during the growing season, but control measures apparently prevented excessive damage. Continuing rains in late April delayed cotton harvesting and caused some quality deterioration, especially in Chaco Province, which grows more than two-thirds of Argentina's cotton.

Cotton consumption in Argentina is estimated at 550,000 bales for the 1957-58 season. This compares with 565,000 bales in 1956-57, and 520,000 bales in 1955-56.

The Government of Argentina has set the 1957-58 cotton export quota at 69,000 bales--14,000 bales will be grade D cotton, 32,000 bales will be grade E, and 23,000 bales will be grade F cotton. This quota is expected to be adjusted as soon as actual production figures are available, and 1957-58 exports will probably be near 100,000 bales. Exports were 51,000 bales in 1956-57, and 2,000 bales in 1955-56. Exports in 1956-57 were principally to the United Kingdom, Italy, and the Netherlands.

Argentina's cotton imports in the 1957-58 season are expected to be about the same as the 17,000 bales imported in 1956-57. Imports in recent years have been long-staple cotton mostly from Peru, with smaller quantities from Egypt.

As a result of the increased production this year, cotton stocks on July 31, 1958, are expected to be about 15 percent higher than the 400,000 bales held on August 1, 1957.

WEST GERMAN COTTON IMPORTS AND CONSUMPTION AT POSTWAR HIGH

Imports of 772,000 bales (500 pounds gross) of cotton into West Germany during the first half (August-January) of the 1957-58 season were the highest since World War II. They were up 2 percent from the 755,000 bales imported in the comparable period of 1956-57, and were 25 percent above imports of 620,000 bales in August-January 1955-56.

Imports of U.S. cotton increased to 429,000 bales, or 55 percent of total imports, compared with 340,000 bales, or 45 percent of the total in August-January 1956-57. Imports also increased from British East Africa, Syria, Nicaragua, and El Salvador, while imports decreased from most other major supplying countries.

Quantities imported from principal sources during August-January 1957-58, with comparable 1956-57 figures in parentheses, were: United States 429,000 bales (340,000); Mexico 108,000 (148,000); British East Africa 53,000 (35,000); Peru 36,000 (49,000); U.S.S.R. 20,000 (36,000); Syria 19,000 (3,000); Egypt 19,000 (25,000); Turkey 17,000 (17,000); Sudan 14,000 (21,000); Nicaragua 13,000 (11,000); and El Salvador 10,000 (4,000).

There has been a considerable letup in raw cotton buying since January, resulting from record high stocks and large forward contracts of the mills. Also, orders for cotton yarn and fabrics have been slower in recent months.

The present outlook is for a slight decline in cotton imports in August-July 1957-58, compared with the 1,596,000 bales imported in 1956-57.

Cotton consumption in West Germany was also at a postwar high during the first 6 months of 1957-58, amounting to 743,000 bales, or 4 percent higher than the 713,000 bales used in the corresponding period of 1956-57. Although mill activity was at a high level during the first half of 1957-58, since January there have been reports of part-time work in a few mills. A textile workers' strike that started in January ended in late March. Despite the fact that the strike did not extend to the cotton spinning industry and affected only a small number of cotton weavers, it brought a general wage boost of 8 to 10 percent for all textile workers.

Domestic demand for cotton textiles continued strong through January, and is expected to remain strong throughout 1957-58. However, imports of textiles have been increasing recently and the proportion of the consumer demand filled by these imports may increase.

Cotton consumption for the entire 1957-58 season is expected to be about the same as the 1,424,000 bales consumed in 1956-57.

West Germany's cotton stocks on January 31, 1958, were estimated at 423,000 bales, an increase of 6 percent from the 400,000 bales on August 1, 1957. The buildup in stocks since August is attributed to spinners and dealers increasing their stocks late in 1957 for year-end tax purposes, and to restored confidence in the stability of world cotton prices. Stocks in the hands of dealers have continued to increase since January because of the lull in spinner buying.

Prices for cotton on the German market have generally trended downward after reaching a peak in early January. Prices for U.S. cotton have strengthened since April. Bremen quotations for U. S. Middling 1-1/16 inches cotton dropped from a high of 36.35 cents per pound on January 7 to a low of 34.70 cents on April 8, and had increased to 35.00 cents per pound on May 13, 1958. Quotations for comparable qualities of foreign cotton on May 13, 1958, were as follows: Mexican 34.40 cents per pound; Russian 34.55 cents; Iranian 32.40 cents; and Nicaraguan 32.00 cents per pound. These prices are generally competitive, since some growths are discounted from American in the Bremen market.

SWITZERLAND RAISES PRICE SUPPLEMENTS ON IMPORTED FEED GRAINS

The Swiss Government has again raised the price supplements on imported feed grains. The supplements are charges which private Swiss traders must pay the government on each metric ton of feed grain imports.

One purpose is to equalize as far as possible the user prices of imported and domestic feed grains. This will (1) protect Swiss growers against competition from relatively low world feed grain prices, and (2) equalize cost of production to livestock feeders who rely primarily on imported grains and that to farmers who feed grains from their own farms. Another aim is to provide government funds for payments to farmers based upon acreage in feed grains.

The increases in the price supplements for the major feed grains range from 1 Swiss franc per quintal for feed wheat (6.4 cents per bushel) to 3 francs per quintal for feed barley (15.2 cents per bushel).

FEED GRAINS: Switzerland, price supplements levied on imports

Grain	Former rates		Present rates	
	Swiss francs	U.S. cents per	Swiss francs	U.S. cents per
	per quintal	bushel	per quintal	bushel
Feed wheat.....	3.5	22.2	4.5	28.6
" rye.....	5.0	29.6	6.0	35.6
" oats.....	5.0	16.9	6.0	20.3
" barley.....	6.0	30.5	9.0	45.7
" corn.....	4.0	23.7	5.5	32.6
" beans.....	4.5	28.6	6.0	38.1

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There are no price supports for feed grains, as there are for wheat. Switzerland's annual feed grain import needs amount to about 500,000 metric tons. Importers must obtain permits or quotas from the Swiss Grain and Feed Cooperative--a quasi-government organization which controls the volume, and to some extent, the sources of imports by granting or withholding permits and by importing on its own account.

The payments to farmers on the basis of acreage in feed grains also help equalize user prices and production costs. Concurrent with the recent increases in the price supplements, acreage payments also were raised. They now range from 300 francs per hectare (\$28.34 per acre) in the lowlands to 490 francs per hectare (\$46.28 per acre) in areas above 1,000 meters (3,280 feet) in altitude. In areas classed as mountainous but under 1,000 meters, the payment is 370 francs per hectare (\$34.95 per acre.)

The general aim of the whole system is to encourage domestic output of feed grains and avoid over-expansion of livestock production dependent on imported grains. The recent measures aim specifically at curtailing unnecessary increases in milk and pork production by making feed grains more expensive. Therefore, expansion in the Swiss market for these grains seems unlikely.